

Received
Federal Election Commission
Office of General Counsel

BEFORE THE
FEDERAL ELECTION COMMISSION

2015 NOV 10 AM 9:00

2015 NOV 19 AM 10:50

American Democracy Legal Fund
455 Massachusetts Avenue NW
Washington, DC 20001

SENSITIVE

Complainant,

v.

Jane Doe
Project Veritas
1214 W. Boston Post Road # 148
Mamaroneck, NY 10543

James O'Keefe, Founder and President
Project Veritas
1214 W. Boston Post Road # 148
Mamaroneck, NY 10543

MUR # 6982

Respondents.

COMPLAINT

Complainant files this complaint under 52 U.S.C. § 30109(a)(1) against Jane Doe, an unnamed investigator employed by Project Veritas; and James O'Keefe, Founder and President of Project Veritas, for violating the Federal Election Campaign Act of 1971, as amended ("the Act"), and Federal Election Commission (FEC) regulations, as described below.

A. FACTS

On September 1, 2015, James O'Keefe unveiled footage gathered by an undercover investigator that he claimed would expose "illegal activity conducted by high-level employees within Hillary Clinton's presidential campaign."¹ Project Veritas describes itself as an investigative organization committed to exposing misconduct in public and private institutions in order to achieve a more ethical and transparent society.²

¹ Tierney Sneed, *Reporters Scoff at James O'Keefe's Big New Scoop to Destroy Hillary*, Talking Points Memo, Sept. 1, 2015, <http://talkingpointsmemo.com/dc/james-okeefe-hillary-video>.

² Project Veritas, *About*, <http://www.projectveritas.com/about>.

The video depicts an attempt by a Canadian citizen to purchase fundraising merchandise at the June 13, 2015 launch of the Hillary for America ("HFA") campaign.³ According to Mr. O'Keefe, Project Veritas has numerous undercover journalists embedded among campaigns, referring to them as "a sort of SEAL Team 6."⁴

The video depicts the following events. A Project Veritas employee waiting in line to purchase merchandise had a conversation with a woman and was told by the woman that she was from Canada.⁵ The Canadian citizen asked HFA staff members selling merchandise if she could make a purchase; in response, one HFA staff member told the Canadian citizen that "we can't take contributions from anyone that is not a citizen of the United States."⁶ In a blatant effort to encourage an illegal act, the Project Veritas employee urged the HFA staff member to accept the contribution, stating "[b]ut she traveled all the way from Canada to support Hillary, you could give her, she's paying cash."⁷ The HFA staff member continued to politely refuse the contribution, stating "[i]t's not my rule, I'm very sorry."⁸ The Canadian citizen then asked if she could provide funds to the Project Veritas staff member who, in turn, would purchase the merchandise for her.⁹ The HFA staff member told the Canadian citizen that the Project Veritas employee, a U.S. citizen, "could make a donation" but that a U.S. citizen cannot make purchases using the funds of a foreign national.¹⁰ The Project Veritas employee then purchased the merchandise.

³ Project Veritas Action, *Hidden Cam: Hillary's National Marketing Director Illegally Accepting Foreign Contribution* (Sept. 1, 2015), <https://www.youtube.com/watch?v=-qxF7Z2N7Y4> (last visited Oct. 9, 2015).

⁴ Olivia Nuzzi (@Olivianuzzi), Twitter (Sept. 1, 2015, 7:40 AM), <https://twitter.com/olivianuzzi/status/638723082518163456>.

⁵ Project Veritas Action, *Hidden Cam: Hillary's National Marketing Director Illegally Accepting Foreign Contribution* at 1:46-1:55 (Sept. 1, 2015), <https://www.youtube.com/watch?v=-qxF7Z2N7Y4> (last visited Oct. 9, 2015).

⁶ *Id.* at 2:00-2:12.

⁷ *Id.* at 2:12-2:17.

⁸ *Id.* at 2:20.

⁹ *Id.* at 2:46.

¹⁰ *Id.* at 2:48-2:58.

At the press conference, both Mr. O'Keefe and the group's attorney claimed that some or all of the funds used by the Project Veritas employee to purchase the merchandise were provided by the Canadian citizen, though they differed on the amount.¹¹ The complaint presumes that Mr. O'Keefe and the attorney's factual representations are correct and that the Project Veritas employee knowingly accepted funds from the Canadian citizen as a reimbursement for the purchase.

B. LEGAL ARGUMENTS

By soliciting a foreign national for a contribution and then making a contribution with funds provided by a foreign national, Project Veritas and its employee appear to have violated the law. In fact, Mr. O'Keefe acknowledged that Project Veritas "likely violated the law" with these actions.¹²

1. Project Veritas' employee may have illegally solicited a contribution from a foreign national.

Federal law prohibits persons from knowingly soliciting, accepting, or receiving a contribution or donation from a foreign national.¹³ A foreign national is defined as an "individual who is not a citizen of the United States and who is not lawfully admitted for permanent residence."¹⁴ A violation occurs when the person soliciting funds from a foreign national has "actual knowledge that the source of the funds solicited [] is a foreign national."¹⁵

¹¹ Kira Lerner, *James O'Keefe Releases Video Attacking Clinton Campaign — For Letting A Canadian Buy A T-Shirt*, Think Progress, Sept. 1, 2015, <http://thinkprogress.org/politics/2015/09/01/3697540/okeefe-video-clinton-campaign/>.

¹² Tierney Sneed, *Reporters Scoff at James O'Keefe's Big New Scoop to Destroy Hillary*, Talking Points Memo, Sept. 1, 2015, <http://talkingpointsmemo.com/dcl/james-okeefe-hillary-video>; see also Alan Rappeport, *First Draft*, N.Y. Times, Sept. 1, 2015, <http://www.nytimes.com/politics/first-draft/2015/09/01/james-okeefe-to-step-up-political-stalking/>; Emma Roller, *James O'Keefe Exists in a Vortex of Political Absurdity*, National Journal, Sept. 1, 2015, available at <http://www.nationaljournal.com/twenty-sixteen/2015/09/01/james-okeefe-exists-vortex-political-absurdity?e=None&c=None&t=&a=&q=%27Emma+Roller%27&s=None>.

¹³ 52 U.S.C. § 30121(b).

¹⁴ 11 C.F.R. § 110.20(a)(3)(ii).

¹⁵ *Id.* § 110.20 (a)(4)(i).

1-NOV-2015 10:10:10

Here, the Project Veritas employee appears to have illegally solicited a contribution from a foreign national. While waiting in line to purchase merchandise, the Project Veritas employee learned that the contributor was from Montreal, Canada, and upon reaching the front of the line, the Project Veritas employee heard the Canadian citizen state that she did not have a passport or green card.¹⁶ The Project Veritas employee had actual knowledge that the source of the contribution was a foreign national. Notwithstanding this knowledge, the Project Veritas employee repeatedly requested that the Canadian citizen make a contribution and that HFA accept it. The Project Veritas employee argued that HFA should accept the contribution because "she traveled all the way from Canada to support Hillary, you could give her, she's paying cash," and then agreed to buy the merchandise for the Canadian.¹⁷ Therefore, the Project Veritas employee appears to have impermissibly solicited a contribution from a foreign national in violation of 52 U.S.C. § 30121(b).

2. Project Veritas may have substantially assisted a foreign national in making a contribution, in violation of the Commission's regulations.

The Commission's regulation also prohibits persons from "knowingly provid[ing] substantial assistance in the solicitation, making, acceptance, or receipt" of a contribution from a foreign national.¹⁸ Substantial assistance means "active involvement in the solicitation, making, receipt or acceptance of a foreign national contribution or donation with an intent to facilitate successful completion of the transaction."¹⁹ The Commission has stated that the prohibition

¹⁶ Project Veritas Action, *Hidden Cam: Hillary's National Marketing Director Illegally Accepting Foreign Contribution* at 1:46-2:12 (Sept. 1, 2015), <https://www.youtube.com/watch?v=-qx7Z2N7Y4> (last visited Oct. 9, 2015).

¹⁷ *Id.* at 2:12-2:58.

¹⁸ 11 C.F.R. § 110.20(h).

¹⁹ *Explanations and Justification, Assisting Foreign National Contributions or Donations*, 67 Fed. Reg. 69928, 69945 (Nov. 19, 2002).

against substantial assistance “covers, but is not limited to, those persons who act as conduits or intermediaries for foreign national contributions or donations.”²⁰

1204442-100
The Project Veritas employee was actively involved in the solicitation, making, acceptance, and receipt of the Canadian citizen's contribution and possessed an intent to facilitate the successful completion of the transaction. She first urged the HFA campaign staff member to accept the illicit contribution, reasoning that the prospective contributor had traveled great distance and would use cash to purchase the merchandise.²¹ After the campaign refused to accept the contribution, the Project Veritas employee agreed to make the contribution herself.²² And, according to Mr. O'Keefe and the Project Veritas attorney, the Project Veritas employee accepted funds from the Canadian citizen as reimbursement for the contribution.²³ The Project Veritas employee thus served an “important, essential, and material” role in the Canadian citizen's contribution as facilitator, conduit, and intermediary for the transaction.²⁴ The Commission should further investigate the role of Project Veritas, its directors and officers, and other employees, to determine whether they too provided substantial assistance to a foreign national in making the contribution by helping to hatch, plan, and/or execute this scheme.

3. Contributions in the name of another are prohibited.

Federal law prohibits a person from “mak[ing] a contribution in the name of another person or knowingly permit[ting] his [or her] name to be used to effect such a contribution.”²⁵ Commission regulations also forbid a person from “knowingly help[ing] or assist[ing] any

²⁰ *Id.* at 69946.

²¹ Project Veritas Action, *Hidden Cam: Hillary's National Marketing Director Illegally Accepting Foreign Contribution* at 2:12-2:17 (Sept. 1, 2015), <https://www.youtube.com/watch?v=-qxFTZ2N7Y4> (last visited Oct. 9, 2015).

²² *Id.* at 2:51.

²³ Kira Lerner, *James O'Keefe Releases Video Attacking Clinton Campaign — For Letting A Canadian Buy A T-Shirt*, Think Progress, Sept. 1, 2015, <http://thinkprogress.org/politics/2015/09/01/3697540/okeefe-video-clinton-campaign/> (“O'Keefe said the \$75 was from the Canadian”).

²⁴ Black's Law Dictionary, *Substantial* (10th ed. 2014); see also *Explanations and Justification, Assisting Foreign National Contributions or Donations*, 67 Fed. Reg. 69928, 69945 (Nov. 19, 2002).

²⁵ 52 U.S.C. § 30122.

person in making a contribution in the name of another.”²⁶ Federal courts have noted that the prohibition on straw donors is essential to the disclosure regime enacted by Congress.²⁷

As acknowledged by Mr. O’Keefe, the Project Veritas employee violated this provision.²⁸ She agreed to facilitate the contribution by purchasing merchandise for the Canadian citizen, stating, “I’ll buy it.”²⁹ Then, according to Mr. O’Keefe and the Project Veritas attorney, the Project Veritas employee accepted funds from the Canadian citizen as reimbursement for the contribution.³⁰ Thus, the Project Veritas employee permitted her name to be used to shield the illicit contribution from the Canadian citizen. The contribution satisfied the statute’s mental state requirement, as the Project Veritas employee clearly had actual knowledge that her name would be used to effect the contribution. Such a contribution “undermine[s] the goal of complete and accurate disclosure of the contributors who finance federal elections” and should be sanctioned to the fullest extent permitted by law.³¹

C. REQUESTED ACTION

Project Veritas’ video correctly declares that “the law [on foreign national contributions] is very clear.”³² Its employee appears to have violated the law by soliciting and substantially assisting a contribution by a foreign national. In addition, the employee appears to have facilitated the making of a contribution in the name of another person, by making the purchase in

²⁶ 11 C.F.R. § 110.4 (b)(iii).

²⁷ See, e.g., *United States v. O’Donnell*, 608 F.3d 546, 553-54 (9th Cir. 2010) (“such contributions undermine transparency”).

²⁸ Kira Lerner, *James O’Keefe Releases Video Attacking Clinton Campaign — For Letting A Canadian Buy A T-Shirt*, Think Progress, Sept. 1, 2015, <http://thinkprogress.org/politics/2015/09/01/3697540/okeefe-video-clinton-campaign/> (“O’Keefe admits that his group violated campaign finance law by making the donation for the unnamed and allegedly random Canadian woman.”).

²⁹ Project Veritas Action, *Hidden Cam: Hillary’s National Marketing Director Illegally Accepting Foreign Contribution* at 2:51 (Sept. 1, 2015), <https://www.youtube.com/watch?v=-qxF7Z2N7Y4> (last visited Oct. 9, 2015).

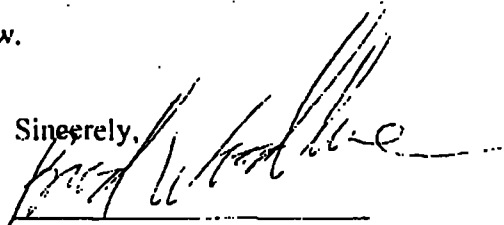
³⁰ Kira Lerner, *James O’Keefe Releases Video Attacking Clinton Campaign — For Letting A Canadian Buy A T-Shirt*, Think Progress, Sept. 1, 2015, <http://thinkprogress.org/politics/2015/09/01/3697540/okeefe-video-clinton-campaign/> (“O’Keefe said the \$75 was from the Canadian”).

³¹ *United States v. Boender*, 649 F.3d 650, 661 (7th Cir. 2011).

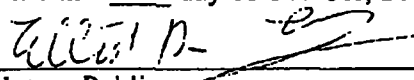
³² Project Veritas Action, *Hidden Cam: Hillary’s National Marketing Director Illegally Accepting Foreign Contribution* at 2:26 (Sept. 1, 2015), <https://www.youtube.com/watch?v=-qxF7Z2N7Y4> (last visited Oct. 9, 2015).

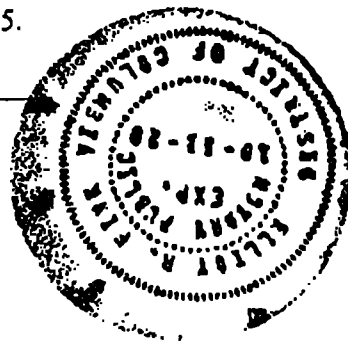
her name and accepting reimbursement from another person. We respectfully request that the Commission investigate these violations and that Respondents be enjoined from further violations and fined the maximum amount permitted by law.

Sincerely,



SUBSCRIBED AND SWORN to before me this 27 day of October, 2015.


Notary Public



My Commission Expires:

10/31/2020

cc: Mr. Raymond Hulser
Chief, Public Integrity Section
Department of Justice, Criminal Division
950 Pennsylvania Avenue, NW
Washington, DC 20530